

## Message Text

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ACTION NEA-05

INFO OCT-01 ISO-00 EB-05 RSC-01 DRC-01 /013 W

----- 040112

R 050538Z MAY 74

FM AMEMBASSY JIDDA

TO USDOC WASHDC

INFO SECSTATE WASHDC 6943

AMCONSUL DHAHRAN

AMEMBASSY BEIRUT

UNCLAS SECTION 1 OF 2 JIDDA 2392

BEIRUT FOR RTDO

STATE ALSO FOR USIA

E.O.: 11652: N/A

TAGS: BEXP, SA

SUBJ: APRIL 1, 1975 CONSTRUCTION MATERIALS EXHIBITION

SUMMARY: EMBASSY STRONGLY RECOMMENDS THREE-SITE (JIDDA, RIYADH, DHAHRAN) TECHNICAL SEMINAR AND EXHIBITION U.S. BUILDING MATERIALS AND TECHNOLOGY IN APRIL 1975. ACTION REQUESTED: USDOC ADVISE ASAP EXTENT TO WHICH BUDGET PERMITS SUPPORT OF EMBASSY'S PROPOSAL. END SUMMARY.

1. EMBASSY STRONGLY SUPPORTS USDOC PROPOSAL MOUNT 25-EXHIBITOR DISPLAY OF U.S. BUILDING MATERIALS AND TECHNOLOGY IN APRIL 1975. CONSTRUCTION BOOM, JUST BEGINNING, EXPECTED TO CONTINUE TO SURGE THROUGHOUT KINGDOM AT LEAST TILL 1980. BOTH GOVERNMENT PROJECTS (ROADS, OFFICE BUILDINGS, PUBLIC HOUSING, SCHOOLS, HOSPITALS, AIRPORTS) AND PRIVATE SECTOR (RESIDENTIAL HOUSING, OFFICE BUILDING, FACTORIES) WILL OFFER MAJOR SALES TARGETS. E.G., FOR JIDDA ALONE, KNOWLEDGABLE OBSERVERS FORECAST \$40 MILLION IMPORTS OF AIR-CONDITIONING EQUIPMENT 1975-77.

2. DISPLAY THEMES: IN GENERAL, FOR ANY GIVEN BUILDING MATERIAL OR TECHNOLOGY, THERE ARE THREE LEVELS OF SOPHISTICATION IN SAUDI ARABIA WHICH USDOC EXHIBITION SHOULD

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TRY TO REACH:

A. THE LEVEL WITH WHICH ALL BUILDERS ARE CURRENTLY FAMILIAR AND COMFORTABLE--E.G., WINDOW AIR CONDITIONERS, ROUGH AND READY CEMENT MIXING;

B. THE LEVEL PROGRESSIVE CONTRACTORS ARE NOT INTRODUCING TO MARKET--E.G., CENTRAL AIR CONDITIONING WITH DUCTS, PREMIXED CONCRETE;

C. THE LEVEL WHICH HANDFUL OF CONTRACTORS WITH VISION WILL ACCEPT AS NEXT STAGE OF TECHNOLOGY THREE TO FIVE YEARS HENCE--E.G., COVERED, CENTRALLY AIR-CONDITIONED SHOPPING MALLS, COMPUTER-CONTROLLED CONCRETE BATCHERS.

3. CONCRETE IN ALL ITS FORMS IS UNQUESTIONABLY THE PRE-DOMINANT BUILDING MATERIAL OF SAUDI ARABIA AND IS LIKELY TO REMAIN SO. TECHNOLOGY OF BUILDING IN CONCRETE MUST, THEREFORE, BE POINT OF DEPARTURE FOR USDOC DISPLAY: REINFORCED CONCRETE, PREMIXES, MIXERS AND BATCHERS (MOBILE AND STATIONARY), MOLDS, TOOLS AND ACCESSORIES FOR SHAPING AND PREPARING CONCRETE. ALSO CHEMICAL ADDITIVES FOR WATER-PROOFING, STRENGTHENING.

4. OTHER MATERIALS AND TECHNOLOGY SHOULD INCLUDE MODERN, EASILY INSTALLED, PRICE-COMPETITIVE ALTERNATIVES TO CONCRETE--INCLUDING WOOD, PLYWOOD, ALUMINUM, STEEL, GLASS, BRICK.

5. MODULAR MATERIALS AND ENTIRE PREFABRICATED ROOMS AND HOUSES SHOULD BE FEATURED (MODELS AND PHOTOS ACCEPTABLE). DISPLAY SHOULD INCLUDE PHYSICAL PRESENCE OF AT LEAST ONE MOBILE HOME AND PREFERABLY TWO (ONE SELF-PROPELLED, ONE TRAILER).

6. CLIMATE-CONTROL DEVICES SHOULD INCLUDE LATEST WINDOW AIR CONDITIONERS (ESPECIALLY MODELS NOTABLY QUIET AND EASY TO REPAIR), PACKAGED UNITS (USING DUCTS) AND CENTRAL SYSTEMS--EMPHASIZING ROOM-BY-ROOM THERMOSTAT CONTROL. MODELS AND PHOTOS OF COOLING TOWERS (WOOD, CERAMIC) SHOULD BE DISPLAYED. ALL KINDS OF INSULATING MATERIALS ARE RE-UNCLASSIFIED

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COMMENDED--ESPECIALLY BLOWN FIBERGLASS. ELECTRONIC AIR CLEANERS WOULD BE AN ATTRACTIVE NEW PRODUCT CATEGORY TO DISPLAY.

7. SAUDIS APPRECIATE COLORFUL (BUT NOT FAR OUT) WALL COVERINGS, WALL PAPER, PANELS. INSULATED GLASS WINDOWS (PREFERABLY WITH ADJUSTABLE, BETWEEN-PANES SUNSCREENS) IN ALUMINUM SETTING LIKELY TO SELL VERY WELL.

8. GENERALLY SPEAKING, ANY MATERIAL, FIXTURE APPROPRIATE TO SOUTHERN USA (ATLANTIC TO PACIFIC) ALSO APPROPRIATE IN SAUDI ARABIA. EMPHASIS SHOULD BE ON PRODUCT'S "MODERNITY," EASE OF INSTALLATION AND REPAIR, AND PRICE-COMPETITIVENESS. MRO KILLOUGH WILL FURNISH MORE COMPLETE PRODUCT DESCRIPTIONS UPON RETURN TO WASHINGTON.

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9. APRIL 1975 USDOC EXHIBITIONS OF ABOVE PRODUCT LINE IN RIYADH, JIDDA, AND DHAHRAN WOULD PRODUCE, USING CONSERVATIVE ESTIMATES, \$3 MILLION PER EXHIBIT INCREMENT IN U.S. EXPORTS DURING FOLLOWING YEAR--OR MINIMUM \$9 MILLION FOR SAUDI ARABIA AS WHOLE. EMBASSY RECOMMENDS EXHIBITION BE MOUNTED CONSECUTIVELY IN ALL THREE MAJOR LOCATIONS. NOT RPT NOT REALISTIC TO EXPECT TARGET GROUPS FROM ANY ONE OF ABOVE CITIES TO TRAVEL TO ANOTHER TO SEE SUCH EXHIBITION. IN JIDDA AND DHAHRAN, TARGET SALES GROUP ARE PRIVATE CONTRACTORS; IN RIYADH, MINISTRY OF PUBLIC WORKS' SPECIFICATIONS WRITERS AND ARCHITECTS AND PLANNERS OF OTHER MINISTRIES--SECONDARILY CONTRACTORS AND HOMEOWNERS. IN MOST CASES THE DIRECT PURCHASER OF U.S. MATERIALS WILL BE IMPORTERS AND PRIVATE CONTRACTORS--NOT RPT NOT GOVERNMENT END-USERS OF COMPLETED CONSTRUCTION PROJECTS.

FOR THIS REASON, AND KEEPING IN MIND EMBASSY'S DISTINCTLY LIMITED STAFFING AVAILABLE TO SUPPORT USDOC EFFORTS, JIDDA SHOULD BE LOCATION FOR A ONE-SITE SHOW; JIDDA AND RIYADH FOR A TWO-SITE SHOW (AMCONSUL DHAHRAN IS INVITED TO COMMENT ON LIKELIHOOD EASTERN REGION CONTRACTORS WOULD TRAVEL TO RIYADH TO SEE TWO-SITE EXHIBITION). IN JIDDA, PREFERRED SITE WOULD BE AL-ATTAS HOTEL AND IN RIYADH, THE AL ESSA BUILDING.

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10. WISH REPEAT THAT \$9 MILLION INCREMENTAL SALES PROJECTION FOR THREE-SITE EXHIBITION IS CONSERVATIVE. COULD WELL BE MUCH HIGHER. CONSTRUCTION IS A LEADING GROWTH SECTOR OF SAUDI ECONOMY. EXHIBITION APPEARS HIGHLY APT TECHNIQUE FOR EXPANDING U.S. MARKET PENETRATION. EMBASSY THEREFORE RECOMMENDS SUCCESSIVE EXHIBITION APRIL 1975 IN ALL THREE MAJOR MARKET AREAS.

11. EMBASSY ALSO URGES USDOC ORGANIZE IN CONJUNCTION WITH EXHIBITION TECHNICAL SALES SEMINAR OR AT MINIMUM ARRANGE FOR PRESENCE SINGLE INDUSTRY EXPERT TO CONDUCT STATE-OF-THE-ART BRAINSTORMING SESSIONS WITH CONTRACTORS AND GOVERNMENT PLANNERS. SIMULTANEOUS TRANSLATIONS INTO ARABIC WOULD OBVIOUSLY BE USEFUL BUT ARE NOT RPT NOT ABSOLUTELY ESSENTIAL. U.S. INDUSTRY FILMS SHOULD ALSO BE INTEGRAL PART OF EXHIBITION.

12. WISH TO REEMPHASIZE PROBLEM OF EMBASSY STAFFING. EVEN ASSUMING REQUESTED INCREASE IN COMMERCIAL STAFF, WE WILL BE SPREAD VERY THIN WITH REGULAR OPERATIONS. SUCCESS OF EXHIBITION DEPENDS ON PROVISION OF ADEQUATE TDY PERSONNEL TO PREPARE AND MOUNT IT WITH ONLY LIMITED SUPPORT FROM EMBASSY.

13. ADVISE ASAP EXTENT TO WHICH USDOC BUDGET (INCLUDING REQUIRED PERSONNEL INPUTS) PERMITS SUPPORT OF EMBASSY PROPOSAL.

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